

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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DEC 30 2004

PUBLIC SERVICE
COMMISSION

In the Matter of

THE PETITION OF LOUISVILLE GAS AND)
ELECTRIC COMPANY FOR CONFIDENTIAL)
TREATMENT OF CERTAIN INFORMATION) CASE NO. 2004-00526
CONTAINED IN ITS QUARTERLY GAS)
SUPPLY CLAUSE FILING)

**PETITION OF LOUISVILLE GAS AND ELECTRIC COMPANY
FOR CONFIDENTIAL TREATMENT OF CERTAIN INFORMATION
CONTAINED IN ITS QUARTERLY GAS SUPPLY CLAUSE FILING**

Louisville Gas and Electric Company ("LG&E"), pursuant to 807 KAR 5:001, Section 7, petitions the Commission to classify and protect as confidential certain information that is contained in its Quarterly Gas Supply Clause filing, as more fully described below:

1. LG&E is filing contemporaneously with this Petition, as required by its tariffs governing its Gas Supply Clause (Original Sheet Nos. 70.1 and 70.2 of LG&E Gas Tariff PSC of Ky. No. 6), a statement setting forth the summary of the total purchased gas costs for the period of August 2004 through October 2004 ("Summary"). Included in the Summary, which is included in the filing as two pages in Exhibit B-1, pages 5 and 6, is certain information the disclosure of which would damage LG&E's competitive position and business interests. As required by 807 KAR 5:001, Section 7(2)(b), LG&E is providing one copy of this Summary, under seal, with the material for which confidential treatment is requested highlighted, and ten copies of the Summary with the confidential material redacted.

2. The Kentucky Open Records Act exempts from disclosure certain commercial information. KRS 61.878(1)(c). To qualify for this exemption and, therefore, maintain the confidentiality of the information, a party must establish that disclosure of the commercial information would permit an unfair advantage to competitors of that party.

3. The Summary contains sensitive commercial information, the disclosure of which would injure LG&E's ability to negotiate future gas supply contracts at advantageous prices and, thereby, minimize the price of natural gas to its customers, and would unfairly advantage LG&E's competitors for both gas supplies and retail gas load. Any impairment of its ability to obtain the most advantageous price possible from natural gas producers and marketers will necessarily erode LG&E's competitive position viz-a-vis other energy suppliers that compete in LG&E's service territory, as well as other LDCs with whom LG&E competes for new and relocating industrial customers. This sensitive information identifies LG&E's natural gas suppliers for the period set forth and links those providers with specific gas volumes delivered and the costs thereof. Redacting the suppliers' names from the Summary will prevent other parties from piecing together the sensitive information which LG&E seeks to protect from disclosure. LG&E, therefore, proposes that the identity of each supplier be kept confidential.

Disclosure of the suppliers' identities will damage LG&E's competitive position and business interest in two ways. First, it will allow LG&E's competitors to know the unit price and overall cost of the gas LG&E is purchasing from each supplier. This information is valuable to LG&E's competitors because it can alert them to the identity of LG&E's low cost suppliers, and if those supply agreements are more favorable than theirs, they can attempt to outbid LG&E for those suppliers. This would raise prices to LG&E which would hurt its competitive position and harm its ratepayers. Second, it will provide competitors of LG&E's suppliers with

information which will enable future gas bidding to be manipulated to the competitors' advantage and to the detriment of LG&E and its customers. Instead of giving its best price in a bid, a gas supply competitor with knowledge of the recent pricing practices of LG&E's other suppliers could adjust its bid so that it just beats other bidders' prices or other terms. As a result, LG&E and its customers will pay a higher price for gas than they would have otherwise.

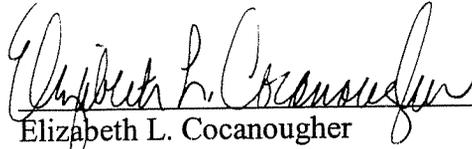
4. LG&E has filed identical requests with the Commission with regard to the same information contained in prior quarterly Gas Supply Clause filings, which the Commission has granted.

5. The information in the Summary for which LG&E is seeking confidential treatment is not known outside of LG&E and the relevant suppliers, and it is not disseminated within LG&E except to those employees with a legitimate business need to know and act upon the information.

6. The public interest will be served by granting this Petition in that competition among LG&E's prospective gas suppliers will be fostered, and the cost of gas to LG&E's customers will thereby be minimized. In addition, the public interest will be served by fostering full and fair competition between LG&E and other energy service providers within LG&E's gas service territory.

WHEREFORE, Louisville Gas and Electric Company respectfully requests that the Commission classify and protect as confidential the identity of the gas suppliers listed in the statement that sets forth the summary of the total purchased gas costs for the period of August 2004 through October 2004 and that is included in the three month filing made concurrently herewith pursuant to LG&E's Gas Supply Clause.

Respectfully submitted,

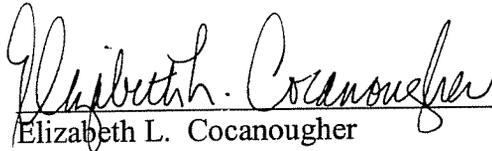


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LG&E Energy Corp.
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P. O. Box 32010
Louisville, Kentucky 40232
(502) 627-4850

Counsel for Louisville Gas and Electric Company

CERTIFICATE OF SERVICE

This is to certify that a true copy of the foregoing instrument was mailed on the 30th day of December, 2004, to Office of Attorney General, Office for Rate Intervention, P. O. Box 2000, Frankfort, Kentucky 40602-2000.



Elizabeth L. Cocanougher



December 30, 2004

Louisville Gas and Electric Company
220 West Main Street (40202)
P.O. Box 32010
Louisville, Kentucky 40232

Elizabeth O'Donnell, Executive Director
Public Service Commission of Kentucky
211 Sower Blvd.
P.O. Box 615
Frankfort, KY 40601

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Re: Gas Supply Clause Case No. 2004-00XXX
2004-00526

DEC 30 2004

Dear Ms. O'Donnell:

PUBLIC SERVICE
COMMISSION

Pursuant to the provisions of the Company's Gas Supply Clause as authorized by the Commission, we file herewith an original and four copies of the Third Revision of Original Sheet No. 70 of LG&E Tariff PSC of Kentucky Gas No. 6 setting forth a Gas Supply Cost Component of 73.789 cents per 100 cubic feet applicable to all gas sold during the period of February 1, 2005 through April 30, 2005. In addition, we file herewith a corresponding number of copies of "Supporting Calculations for the Gas Supply Clause."

Also enclosed herewith is a summary of our gas service rates effective for the period of February 1, 2005 through April 30, 2005.

Furthermore, we are filing a petition to seek confidentiality with respect to the names of natural gas suppliers otherwise shown on Exhibit B-1, Pages 5 and 6 of 6.

This filing represents expected gas costs for the February 1, 2005 through April 30, 2005 period. The Gas Cost Actual Adjustment (GCAA) and the Gas Cost Balance Adjustment (GCBA) levels are changed from the levels that were implemented on November 1, 2004. These adjustment levels will remain in effect from February 1, 2005 through April 30, 2005.

We respectfully request your acceptance of this filing which we believe is in full compliance with the provisions of the LG&E Gas Supply Clause approved by the Kentucky Public Service Commission.

Respectfully,

Robert M. Conroy
/mlg

Robert M. Conroy
Manager, Rates

Enclosures

LOUISVILLE GAS AND ELECTRIC COMPANY

Supporting Calculations For The

Gas Supply Clause

2005-00XXX

For the Period

February 1, 2005 through April 30, 2005

LOUISVILLE GAS AND ELECTRIC COMPANY

Derivation of Gas Supply Component Applicable to
Service Rendered On and After February 1, 2005

2005-00XXX

Gas Supply Cost - See Exhibit A for Detail

Description	Unit	Amount
Total Expected Gas Supply Cost	\$	92,173,281
Total Expected Customer Deliveries: February 1, 2005 through April 30, 2005	Mcf	12,678,174
Gas Supply Cost Per Mcf	\$/Mcf	7.2702
Gas Supply Cost Per 100 Cubic Feet	¢/Ccf	72.702

Gas Cost Actual Adjustment (GCAA) - See Exhibit B for Detail

Description	Unit	Amount
Current Quarter Actual Adjustment	Eff. Feb 1, 2005 from 2004-00271	¢/Ccf (1.417)
Previous Quarter Actual Adjustment	Eff. Nov 1, 2004 from 2004-00117	¢/Ccf 0.777
2nd Previous Qrt. Actual Adjustment	Eff. Aug 1, 2004 from 2003-00506	¢/Ccf (0.530)
3rd Previous Qrt. Actual Adjustment	Eff. May 1, 2004 from 2003-00385	¢/Ccf 1.785
Total Gas Cost Actual Adjustment (GCAA)	¢/Ccf	0.615

Gas Cost Balance Adjustment (GCBA) - See Exhibit C for Detail

Description	Unit	Amount
Balance Adjustment Amount	\$	184,848
Total Expected Customer Deliveries: February 1, 2004 - April 1, 2005	Mcf	12,678,174
Gas Cost Balance Adjustment (GCBA) Per Mcf	\$/Mcf	(0.0146)
Gas Cost Balance Adjustment (GCBA) Per 100 Cubic Feet	¢/Ccf	(0.146)

Refund Factors (RF) - See Exhibit D for Detail

Description	Unit	Amount
Total Refund Factors Per 100 Cubic Feet	¢/Ccf	0.000

Performance-Based Rate Recovery Component (PBRRC) - See Exhibit E for Detail

Description	Unit	Amount
Performance-Based Rate Recovery Component (PBRRC)	¢/Ccf	0.618
Total of PBRRC Factors Per 100 Cubic Feet	¢/Ccf	0.618

Gas Supply Cost Component (GSCC) Effective February 1, 2005 - April 30, 2005

Description	Unit	Amount
Gas Supply Cost	¢/Ccf	72.702
Gas Cost Actual Adjustment (GCAA)	¢/Ccf	0.615
Gas Cost Balance Adjustment (GCBA)	¢/Ccf	(0.146)
Refund Factors (RF)	¢/Ccf	0.000
Performance-Based Rate Recovery Component (PBRRC)	¢/Ccf	0.618
Total Gas Supply Cost Component (GSCC)	¢/Ccf	73.789

LOUISVILLE GAS AND ELECTRIC COMPANY
Calculation of Gas Supply Costs
For The Three-Month Period From February 1, 2005 through April 30, 2005

	February	March	April	Total Feb 05 - Apr 05
MMBtu				
1. Expected Gas Supply Transported Under Texas' No-Notice Service	592,273	25,033	1,763,045	2,380,351
2. Expected Gas Supply Transported Under Texas' Rate FT	0	0	100,126	100,126
3. Expected Gas Supply Transported Under Tenn.'s Rate FT-A (Zone 0)	1,120,000	1,240,000	1,063,672	3,423,672
4. Expected Gas Supply Transported Under Tenn.'s Rate FT-A (Zone 1)	308,000	269,323	0	577,323
5. Total MMBtu Purchased	2,020,273	1,534,356	2,926,843	6,481,472
6. Plus: Withdrawals from Texas Gas' NNS Storage Service	1,010,828	237,615	0	1,248,443
7. Less: Injections into Texas Gas' NNS Storage Service	0	0	1,130,760	1,130,760
8. Expected Monthly Deliveries from TGT/TGPL to LG&E (excluding transportation volumes under LG&E Rate TS)	3,031,101	1,771,971	1,796,083	6,599,155
Mcf				
9. Total Purchases in Mcf	1,970,998	1,496,933	2,855,457	
10. Plus: Withdrawals from Texas Gas' NNS Storage Service	986,174	231,820	0	
11. Less: Injections Texas Gas' NNS Storage Service	0	0	1,103,180	
12. Expected Monthly Deliveries from TGT/TGPL to LG&E (excluding transportation volumes under LG&E Rate TS)	2,957,172	1,728,753	1,752,277	
13. Plus: Customer Transportation Volumes under Rate TS	43,444	26,725	12,583	
14. Total Expected Monthly Deliveries from TGT/TGPL to LG&E (Line 12 + Line 13)	3,000,616	1,755,478	1,764,860	
15. Less: Purchases for Depts. Other Than Gas Dept.	59,063	68,537	67,534	
16. Less: Purchases Injected into LG&E's Underground Storage	0	0	0	
17. Mcf Purchases Expensed during Month (Line 12 - Line 15 - Line 16)	2,898,109	1,660,216	1,684,743	6,243,068
18. LG&E's Storage Inventory - Beginning of Month	9,650,002	6,568,372	3,457,166	
19. Plus: Storage Injections into LG&E's Underground Storage (Line 16)	0	0	0	
20. LG&E's Storage Inventory - Including Injections	9,650,002	6,568,372	3,457,166	
21. Less: Storage Withdrawals from LG&E's Underground Storage	3,053,720	3,086,916	888,475	7,029,111
22. Less: Storage Losses	27,910	24,290	21,067	73,267
23. LG&E's Storage Inventory - End of Month	6,568,372	3,457,166	2,547,624	
24. Mcf of Gas Supply Expensed during Month (Line 17 + Line 21 + Line 22)	5,979,739	4,771,422	2,594,285	13,345,446
Cost				
25. Total Demand Cost - Including Transportation (Line 14 x Line 46)	\$2,672,049	\$1,563,253	\$1,571,608	
26. Less: Demand Cost Recovered thru Rate TS (Line 13 x Line 46)	38,687	23,799	11,205	
27. Demand Cost - Net of Demand Costs Recovered thru LG&E Rate TS	\$2,633,362	\$1,539,454	\$1,560,403	
28. Commodity Costs - Gas Supply Under NNS (Line 1 x Line 47)	3,922,032	163,188	11,121,640	
29. Commodity Costs - Gas Supply Under Rate FT (Line 2 x Line 48)	0	0	631,865	
30. Commodity Costs - Gas Supply Under Rate FT-A Zone 0 (Line 3 x Line 49)	7,317,744	7,971,092	6,618,593	
31. Commodity Costs - Gas Supply Under Rate FT-A Zone 1 (Line 4 x Line 50)	2,035,757	1,752,000	0	
32. Total Purchased Gas Cost	\$15,908,895	\$11,425,734	\$19,932,501	\$47,267,130
33. Plus: Withdrawals from NNS Storage (Line 6 x Line 47)	6,693,703	1,548,988	0	8,242,691
34. Less: Purchases Injected into NNS Storage (Line 7 x Line 47)	0	0	7,133,060	7,133,060
35. Total Cost of Gas Delivered to LG&E	\$22,602,598	\$12,974,722	\$12,799,441	\$48,376,761
36. Less: Purchases for Depts. Other Than Gas Dept. (Line 15 x Line 51)	451,436	514,384	493,302	1,459,122
37. Less: Purchases Injected into LG&E's Storage (Line 16 x Line 51)	0	0	0	0
38. Pipeline Deliveries Expensed During Month	\$22,151,162	\$12,460,338	\$12,306,139	\$46,917,639
39. LG&E's Storage Inventory - Beginning of Month	\$61,488,848	\$41,853,010	\$22,028,717	
40. Plus: LG&E Storage Injections (Line 37 above)	0	0	0	
41. LG&E's Storage Inventory - Including Injections	\$61,488,848	\$41,853,010	\$22,028,717	
42. Less: LG&E Storage Withdrawals (Line 21 x Line 52)	19,457,998	19,669,520	5,661,274	\$44,788,792
43. Less: LG&E Storage Losses (Line 22 x Line 52)	177,840	154,773	134,237	466,850
44. LG&E's Storage Inventory - End of Month	\$41,853,010	\$22,028,717	\$16,233,206	
45. Gas Supply Expenses (Line 38 + Line 42 + Line 43)	\$41,787,000	\$32,284,631	\$18,101,650	\$92,173,281
Unit Cost				
46. 12-Month Average Demand Cost - per Mcf (see Page 2)	\$0.8905	\$0.8905	\$0.8905	
47. Commodity Cost (per MMBtu) under Texas Gas's No-Notice Service	\$6.6220	\$6.5189	\$6.3082	
48. Commodity Cost (per MMBtu) under Texas Gas's Rate FT	\$6.5901	\$6.4871	\$6.3107	
49. Commodity Cost (per MMBtu) under Tenn. Gas's Rate FT-A (Zone 0)	\$6.5337	\$6.4283	\$6.2224	
50. Commodity Cost (per MMBtu) under Tenn. Gas's Rate FT-A (Zone 1)	\$6.6096	\$6.5052	\$6.3097	
51. Average Cost of Deliveries (Line 35 / Line 12)	\$7.6433	\$7.5052	\$7.3045	
52. Average Cost of Inventory - Including Injections (Line 41 / Line 20)	\$6.3719	\$6.3719	\$6.3719	
Gas Supply Cost				
53. Total Expected Mcf Deliveries (Sales) to Customers (February 1, 2005 through April 30, 2005)				12,678,174 Mcf
54. Current Gas Supply Cost (Line 45 / Line 53)				<u>\$7.2702</u> / Mcf

LOUISVILLE GAS AND ELECTRIC COMPANY
Calculation Of The Average Demand Cost Per Mcf Applicable To
The Three-Month Period From February 1, 2005 through April 30, 2005

Demand Billings:

Texas Gas No-Notice Service (NNS) Monthly Demand Charge	(	\$12.5864	x	119,913	MMBtu) x 12	\$18,111,276
Texas Gas Firm Transportation (Rate FT) Monthly Demand Charge	(	\$6.0813	x	46,500	MMBtu) x 12	3,393,365
Texas Gas Firm Transportation (Rate STF) Monthly Demand Charge	(	\$12.7750	x	1,250	MMBtu) x 12	191,625
Tenn. Gas Firm Transportation (Rate FT-A, 0-2) Monthly Demand Charge	(	\$6.4640	x	40,000	MMBtu) x 12	3,102,720
Tenn. Gas Firm Transportation (Rate FT-A, 1-2) Monthly Demand Charge	(	\$6.4640	x	11,000	MMBtu) x 12	853,248
Long-Term Firm Contracts with Suppliers (Annualized)						9,667,740

ANNUAL DEMAND COSTS

\$35,319,974

Expected Annual Deliveries from Pipeline Transporters
(Including Transportation Under Rate TS) - MMBtu

40,654,503

Expected Annual Deliveries from Pipeline Transporters
(Including Transportation Under Rate TS) - Mcf

39,662,930

AVERAGE DEMAND COST PER MCF

0.8905

Pipeline Supplier's Demand Component Applicable to Billings Under LG&E's Gas Transportation Service/Standby - Rate TS The 3-Month Period from February 1, 2005 thru April 30, 2005

Pipeline Supplier's Demand Component per Mcf	\$0.8905
Refund Factor for Demand Portion of Texas Gas Refund (see Exhibit D)	0.0000
Performance Based Rate Recovery Component (see Exhibit E)	<u>0.0076</u>
Pipeline Supplier's Demand Component per Mcf - Applicable to Rate TS Transportation	<u>0.8981</u>

Demand-Related Supply Costs Applicable to Daily Utilization Charge under Rates FT and PS and for Reserved Balancing Service Under Rider RBS

Design Day Requirements (in Mcf)	442,031
<u>Reserved Balancing Service Charge (per Mcf Reserved):</u>	
Annual Charge -> (Annual Demand Costs / Design Day Requirements)	\$79.90
Monthly Charge -> (Annual Charge / 12 Months)	<u>\$6.66</u>
<u>Daily Utilization Charge (per Mcf of Non-Reserved Balancing):</u>	
(Annual Reserved Balancing Charge / 365 Days) - 100% Load Factor Rate	<u>\$0.2189</u>

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Supply Clause: 2004-00XXX

Gas Supply Cost Effective February 1, 2005

LG&E is served by Texas Gas Transmission, LLC ("TGT") pursuant to the terms of the transportation agreements under Rates NNS-4 and FT-4, and by Tennessee Gas Pipeline Company ("TGPL") pursuant to the terms of a transportation agreement under Rate FT-A-2.

On August 27, 2004, TGT filed its tariff sheets at the Federal Energy Regulatory Commission ("FERC") in Docket No. RP04-512 to reflect a new ACA Unit Charge as determined by FERC and recoverable by TGT pursuant to the General Terms and Conditions of its FERC Gas Tariff. TGT placed into effect a new ACA funding unit of \$0.0019/MMBtu, effective October 1, 2004.

This change in the ACA Unit Charge follows a filing by TGT at FERC in Docket No. RP04-354 to delete the Gas Research Institute ("GRI") Funding Unit. This GRI filing was made in accordance with FERC Order dated April 29, 1998 in FERC Docket RP97-149-003. In RP97-149-003, the FERC ruled that all funding be voluntary by the end of 2004. TGT has removed the GRI Funding Unit from all of its tariff sheets effective August 1, 2004, because the GRI has indicated that the amounts authorized by the FERC will have been fully collected by that date. That filing is effective as of August 1, 2004.

Texas Gas's No-Notice Service (NNS-4)

Attached hereto as Exhibit A-1 (a), Page 1, is the tariff sheet for No-Notice Service under Rate NNS-4 applicable during the period of February 1, 2005 through April 30, 2005. LG&E has negotiated discounts with the result that the daily demand charge applicable to LG&E is \$0.4138 per MMBtu. Therefore, the monthly demand charge is \$12.5864 per MMBtu ($\$0.4138 \text{ daily demand rate per MMBtu} \times 365 / 12$). The negotiated discounts result in a volumetric throughput charge ("commodity charge") of \$0.0588 per MMBtu.

Texas Gas's Firm Transportation Service (FT-4)

Attached hereto as Exhibit A-1 (a), Pages 2 and 3, are the tariff sheets for transportation service under Rate FT-4 applicable during the period of February 1, 2005 through April 30, 2005. Page 2 contains the tariff sheet which sets forth the daily demand charges. Page 3 contains the tariff sheet which sets forth the commodity charges. When adjusted for LG&E's negotiated discount, the monthly demand charge under Rate FT from Zone SL to Zone 4 applicable to LG&E is \$6.0813 per MMBtu. This charge is inclusive of all applicable surcharges. The volumetric throughput charge ("commodity charge") under Rate FT from Zone SL to Zone 4 is estimated to be \$0.0350 per MMBtu, inclusive of all applicable surcharges.

Texas Gas's Firm Transportation Service (STF-4)

Attached hereto as Exhibit A-1 (a), Page 4, is the tariff sheet for transportation service under Rate STF applicable during the period of February 1, 2005 through April 30, 2005. When adjusted for LG&E's negotiated discount, the monthly demand charge under Rate STF from Zone SL to Zone 4 applicable to LG&E is \$12.7750 per MMBtu. This charge is inclusive of all applicable surcharges. The volumetric throughput charge ("commodity charge") under Rate STF from Zone SL to Zone 4 is estimated to be \$0.0536 per MMBtu, inclusive of all applicable surcharges.

Tennessee Gas Pipeline Firm Transportation Service (FT-A-2)

On August 31, 2004, TGPL filed tariff sheets at the FERC in Docket No. RP04-549 to reflect a new ACA Unit Charge as determined by FERC and recoverable by TGPL pursuant to the General Terms and conditions of its FERC Gas Tariff. TGPL placed into effect a new ACA funding unit of \$0.0019/MMBtu, effective October 1, 2004.

This change in the ACA Unit Charge follows a filing by TGPL at FERC in Docket No. RP04-355 to delete the Gas Research Institute ("GRI") Funding Unit. This GRI filing was made in accordance with FERC Order dated April 29, 1998 in FERC Docket RP97-149-003. In RP97-149-003, the FERC ruled that all funding be voluntary by the end of 2004. TGPL has removed the GRI Funding Unit from all of its tariff sheets effective August 1, 2004, because the GRI has indicated that the amounts authorized by the FERC will have been fully collected by that date. That filing is effective as of August 1, 2004.

Attached hereto as Exhibit A-1 (a), Pages 5 and 6, are the tariff sheets for transportation service under Rate FT-4 applicable during the period of February 1, 2005 through April 30, 2005. Page 5 contains the tariff sheet which sets forth the daily demand charges. Page 6 contains the tariff sheet which sets forth the commodity charges.

LG&E's firm transportation agreement under Rate FT-A with TGPL is for a volume of 51,000 MMBtu per day, under Rate FT-A. Effective November 1, 2002, LG&E entered into a "Pre-Arranged Negotiated Rate Firm Transportation Letter Agreement" dated July 8, 2002, wherein TGPL provided LG&E with a rate discounted from its Rate FT-A-2. Under that Agreement, LG&E is charged the following rates by component: (1) a monthly demand charge of \$0.2125/MMBtu $[(\$6.4640 \times 365) / 12]$ for deliveries from Zones 0 and 1 to Zone 2, irrespective of the zone of receipt; and (2) a commodity rate of \$0.0175/MMBtu for deliveries from Zones 0 and 1 to Zone 2, irrespective of the zone of receipt.

Gas Supply Costs

The New York Mercantile Exchange (“NYMEX”) natural gas futures prices as of December 28, 2004, are \$6.341/MMBtu for February, \$6.359/MMBtu for March, and \$6.149/MMBtu for April. The NYMEX price can be used as a general price indicator. Therefore, LG&E has forecasted prices for gas supplies for February, March, and April, as further described below. Storage inventory levels, among other factors, affect the demand for natural gas and hence its price. The Energy Information Administration’s storage survey for the week ending December 17, 2004, indicated that storage inventory levels were higher than last year’s levels. Storage inventories across the nation were 328 Bcf (3,027 Bcf – 2,699 Bcf) higher this year than the same period one year ago. Last year at this time, 2,699 Bcf was held in storage, while this year 3,027 Bcf is held in storage. More significantly, storage inventories across the nation were 393 Bcf (3,027 Bcf – 2,634 Bcf) higher this year than the five-year average. On average for the last five years at this time, 2,634 Bcf was held in storage. Higher storage inventory levels and the lack of demand for natural gas tend to drive natural gas prices lower. Conversely, lower storage levels, interruptions of gas supply, or increases in demand for natural gas (arising from colder weather and increased heating requirements, or warmer weather and increased electric generation requirements) tend to cause increases in the expected price of natural gas.

During the three-month period under review, February 1, 2005 through April 30, 2005, LG&E estimates that its total purchases will be 6,599,155 MMBtu. LG&E expects that 2,498,034 MMBtu will be met with deliveries from TGT’s pipeline service under Rate NNS (2,380,351 MMBtu in pipeline deliveries, plus a net 117,683 MMBtu in storage withdrawals); 100,126 MMBtu will be met from deliveries under TGT’s pipeline service under Rate FT; 3,423,672 MMBtu will be met from deliveries under TGPL’s pipeline service under Rate FT-A from Zone 0; and 577,323 MMBtu will be met from deliveries under TGPL’s pipeline service under Rate FT-A from Zone 1.

The average commodity cost of gas purchased from gas suppliers by LG&E and delivered to TGT under the NNS service is expected to be \$6.3650 per MMBtu in February 2005, \$6.2650 in March 2005, and \$6.1150 in April 2005. The average commodity cost of gas purchased from gas suppliers by LG&E and delivered to TGT under the FT service is expected to be \$6.3650 per MMBtu in February 2005, \$6.2650 in March 2005, and \$6.1150 in April 2005. The average commodity cost of gas purchased from gas suppliers by LG&E and delivered to TGPL under Rate FT-A from its Zone 0 is expected to be \$6.1800 per MMBtu in February 2005, \$6.0800 in March 2005, and \$5.9300 in April 2005, and the average commodity cost of gas purchased from gas suppliers by LG&E and delivered to TGPL from its Zone 1 is expected to be \$6.3100 per MMBtu in February 2005, \$6.2100 in March 2005, and \$6.0600 in April 2005.

Set forth below are the commodity costs as delivered to LG&E after giving effect to TGT’s and TGPL’s commodity charges for transporting the gas under Rate NNS and Rate FT, their retention percentages, and the applicable surcharges approved by the FERC:

RATE NNS
SYSTEM SUPPLY PURCHASE PRICE PER MMBTU
UNDER TEXAS GAS'S NO-NOTICE SERVICE RATE

	<u>ESTIMATED PRICE AS DELIVERED TO TEXAS GAS</u>	<u>RATE NNS RETENTION (TO ZONE 4)</u>	<u>TRANSPORT CHARGE</u>	<u>TOTAL ESTIMATED DELIVERED PRICE</u>
February 2005	\$6.3650	3.02%	\$0.0588	\$6.6220
March	\$6.2650	3.02%	\$0.0588	\$6.5189
April	\$6.1150	2.15%	\$0.0588	\$6.3082

RATE FT
SYSTEM SUPPLY PURCHASE PRICE PER MMBTU
UNDER TEXAS GAS'S FIRM TRANSPORTATION SERVICE RATE

	<u>ESTIMATED PRICE AS DELIVERED TO TEXAS GAS</u>	<u>RETENTION (ZONE SL TO 4)</u>	<u>RATE FT TRANSPORT CHARGE</u>	<u>TOTAL ESTIMATED DELIVERED PRICE</u>
February 2005	\$6.3650	2.90%	\$0.0350	\$6.5901
March	\$6.2650	2.90%	\$0.0350	\$6.4871
April	\$6.1150	2.56%	\$0.0350	\$6.3107

RATE FT-A
SYSTEM SUPPLY PURCHASE PRICE PER MMBTU
UNDER TENN. GAS'S FIRM TRANSPORTATION SERVICE RATE

	<u>ESTIMATED PRICE AS DELIVERED TO TENN. GAS</u>	<u>RETENTION (TO ZONE 2)</u>	<u>RATE FT-A TRANSPORT CHARGE</u>	<u>TOTAL ESTIMATED DELIVERED PRICE</u>
Zone 0				
February 2005	\$6.1800	5.16%	\$0.0175	\$6.5337
March	\$6.0800	5.16%	\$0.0175	\$6.4283
April	\$5.9300	4.43%	\$0.0175	\$6.2224

Zone 1

February 2005	\$6.3100	4.28%	\$0.0175	\$6.6096
March	\$6.2100	4.28%	\$0.0175	\$6.5052
April	\$6.0600	3.69%	\$0.0175	\$6.3097

The annual demand billings covering the 12 months from February 2005 through January 2006 for the long-term firm contracts with suppliers are currently expected to be \$9,667,740.

Rate FT, Rider RBS, and Rate PS

The demand-related supply costs applicable to the Daily Utilization Charge under Rate FT, the Reserved Balancing Service under Rider RBS, and any daily utilization charges under Rate PS applicable during the three-month period of February 2005 through April 2005 are set forth on Exhibit A, Page 2.

Any revenue collected from the application of these charges will flow directly into the Gas Supply Cost Actual Adjustment ("GCAA") in future Gas Supply Clause filings. Therefore, the revenue collected through application of these charges will reduce the total Gas Supply Cost Component ("GSCC") charged to LG&E's sales customers.

Currently Effective Maximum Transportation Rates (\$ per MMBtu) For Service Under Rate Schedule NNS

	Base Tariff Rates (1)	Sec. 33.3 Surcharges (2)	FERC ACA (3)	Currently Effective Rates (4)
Zone 1				
Daily Demand	0.1037			0.1037
Commodity	0.0118		0.0019	0.0137
Overrun	0.1155	0.0175	0.0019	0.1349
Zone 2				
Daily Demand	0.2804		0.0019	0.2804
Commodity	0.0339		0.0019	0.0358
Overrun	0.3143	0.0175	0.0019	0.3337
Zone 3				
Daily Demand	0.3122		0.0019	0.3122
Commodity	0.0392		0.0019	0.0411
Overrun	0.3514	0.0175	0.0019	0.3708
Zone 4				
Daily Demand	0.3510		0.0019	0.3510
Commodity	0.0493		0.0019	0.0512
Overrun	0.4003	0.0175	0.0019	0.4197
Zone 5				
Daily Demand	0.4138		0.0019	0.4138
Commodity	0.0569		0.0019	0.0588
Overrun	0.4707	0.0175	0.0019	0.4901

Minimum Rate: Demand \$-0-; Commodity - Zone SL 0.0060
 Zone 1 0.0169
 Zone 2 0.0192
 Zone 3 0.0207
 Zone 4 0.0244

Note: The maximum reservation charge component of the maximum firm volumetric capacity release rate shall be the applicable maximum daily demand rate herein pursuant to Section 25 of the General Terms and Conditions.

Texas Gas Transmission, LLC
FERC Gas Tariff
Second Revised Volume No. 1

Second Revised Sheet No. 24
Superseding
First Revised Sheet No. 24

Currently Effective Maximum Daily Demand Rates (\$ per MMBtu) For Service Under Rate Schedule FT

	Currently Effective Rates (1)
SL-SL	0.0751
SL-1	0.1674
SL-2	0.2057
SL-3	0.2471
SL-4	0.2994
1 1	0.1368
1-2	0.1751
1-3	0.2161
1-4	0.2688
2-2	0.1172
2-3	0.1593
2-4	0.2125
3 3	0.1222
3-4	0.1757
4-4	0.1290

Minimum Rates: Demand \$-0-

Backhaul rates equal fronthaul rates to zone of delivery.

Note: The maximum reservation charge component of the maximum firm volumetric capacity release rate shall be the applicable maximum daily demand rate herein pursuant to Section 25 of the General Terms and Conditions.

Issued by: James K. Hendrix, Vice President, Rates
Issued on: June 30, 2004

Effective on: August 1, 2004

Currently Effective Maximum Commodity Rates (\$ per MMBtu) For Service Under Rate Schedule FT

	Base Tariff Rates (1)	FERC ACA Rates (2)	Currently Effective Rates (3)
SI-SI	0.0089	0.0019	0.0108
SI-1	0.0267	0.0019	0.0286
SI-2	0.0354	0.0019	0.0373
SI-3	0.0458	0.0019	0.0477
SI-4	0.0517	0.0019	0.0536
1-1	0.0222	0.0019	0.0241
1-2	0.0326	0.0019	0.0345
1-3	0.0417	0.0019	0.0436
1-4	0.0468	0.0019	0.0487
2-2	0.0177	0.0019	0.0196
2-3	0.0278	0.0019	0.0297
2-4	0.0329	0.0019	0.0348
3-3	0.0174	0.0019	0.0193
3-4	0.0225	0.0019	0.0244
4-4	0.0126	0.0019	0.0145

Minimum Rates: Commodity minimum base rates are presented on Sheet 31.

Backhaul rates equal fronthaul rates to zone of delivery.

Currently Effective Maximum Transportation Rates (\$ per MMBtu)
for Service under Rate Schedule STF and STFX

	Peak (Winter)-Demand	Off-Peak (Summer)-Demand
	Currently Effective Rates	Currently Effective Rates
SL-SL	0.1122	0.0489
SL-1	0.2503	0.1089
SL-2	0.3076	0.1338
SL-3	0.3695	0.1607
SL-4	0.4478	0.1947
1-1	0.2045	0.0890
1-2	0.2618	0.1139
1-3	0.3232	0.1405
1-4	0.4020	0.1748
2-2	0.1751	0.0763
2-3	0.2382	0.1036
2-4	0.3178	0.1382
3-3	0.1827	0.0795
3-4	0.2627	0.1143
4-4	0.1929	0.0839

Note: The STF commodity rate is the applicable FT commodity rate on Sheet No. 25.
The STF overrun rate equals the daily demand rate plus applicable FT commodity rate.

Minimum rate: Demand \$-0- The minimum commodity rate is presented on Sheet 31.

STF Premium for Term Differentiation within Season

[A] Peak (Winter) Season:		[B] Off-Peak (Summer) Season:	
Contract Term	Allowable Contract Premium(1)	Contract Term	Allowable Contract Premium(2)
Up to 1 month	up to 25 cents	Up to 1 month	up to 25 cents
Greater than 1 month, up to 150 days	up to 10 cents	Greater than 1 month, up to 213 days	up to 10 cents

- (1) Above Currently Effective Winter Demand Rate
(2) Above Currently Effective Summer Demand Rate

RATES PER DEKATHERM

FIRM TRANSPORTATION RATES
RATE SCHEDULE FOR FT-A

Base Reservation Rates

RECEIPT ZONE	DELIVERY ZONE							
	0	L	1	2	3	4	5	6
0	\$3.10		\$6.45	\$9.06	\$10.53	\$12.22	\$14.09	\$16.59
L		\$2.71						
1	\$6.66		\$4.92	\$7.62	\$9.08	\$10.77	\$12.64	\$15.15
2	\$9.06		\$7.62	\$2.86	\$4.32	\$6.32	\$7.89	\$10.39
3	\$10.53		\$9.08	\$4.32	\$2.05	\$6.08	\$7.64	\$10.14
4	\$12.53		\$11.08	\$6.32	\$6.08	\$2.71	\$3.38	\$5.89
5	\$14.09		\$12.64	\$7.89	\$7.64	\$3.38	\$2.85	\$4.93
6	\$16.59		\$15.15	\$10.39	\$10.14	\$5.89	\$4.93	\$3.16

Surcharges

RECEIPT ZONE	DELIVERY ZONE							
	0	L	1	2	3	4	5	6
PCB Adjustment: 1/	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
L		\$0.00						
1	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
3	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
6	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Maximum Reservation Rates 2/

RECEIPT ZONE	DELIVERY ZONE							
	0	L	1	2	3	4	5	6
0	\$3.10		\$6.45	\$9.06	\$10.53	\$12.22	\$14.09	\$16.59
L		\$2.71						
1	\$6.66		\$4.92	\$7.62	\$9.08	\$10.77	\$12.64	\$15.15
2	\$9.06		\$7.62	\$2.86	\$4.32	\$6.32	\$7.89	\$10.39
3	\$10.53		\$9.08	\$4.32	\$2.05	\$6.08	\$7.64	\$10.14
4	\$12.53		\$11.08	\$6.32	\$6.08	\$2.71	\$3.38	\$5.89
5	\$14.09		\$12.64	\$7.89	\$7.64	\$3.38	\$2.85	\$4.93
6	\$16.59		\$15.15	\$10.39	\$10.14	\$5.89	\$4.93	\$3.16

Minimum Base Reservation Rates The minimum FT-A Reservation Rate is \$0.00 per Dth

Notes:

- 1/ PCB adjustment surcharge originally effective for PCB Adjustment Period of July 1, 1995 - June 30, 2000, was revised and the PCB Adjustment Period has been extended until June 30, 2006 as required by the Stipulation and Agreement filed on May 15, 1995 and approved by Commission Orders issued November 29, 1995 and February 20, 1996.
- 2/ Maximum rates are inclusive of base rates and above surcharges.

Issued by: Byron S. Wright, Vice President

Issued on: June 30, 2004

Effective on: August 1, 2004

Filed to comply with order of the Federal Energy Regulatory Commission, Docket No. RP97-149, et al., issued April 29, 1998, 83 FERC ¶ 61,093

TENNESSEE GAS PIPELINE COMPANY
FERC Gas Tariff
FIFTH REVISED VOLUME NO. 1

Sixteenth Revised Sheet No. 23A
Superseding
Fifteenth Revised Sheet No. 23A

RATES PER DEKATHERM

COMMODITY RATES
RATE SCHEDULE FOR FT-A

Base Commodity Rates

RECEIPT ZONE	DELIVERY ZONE								
	0	L	1	2	3	4	5	6	
0	\$0.0439		\$0.0669	\$0.0880	\$0.0978	\$0.1118	\$0.1231	\$0.1608	
L		\$0.0286							
1	\$0.0669		\$0.0572	\$0.0776	\$0.0874	\$0.1014	\$0.1126	\$0.1503	
2	\$0.0880		\$0.0776	\$0.0433	\$0.0530	\$0.0681	\$0.0783	\$0.1159	
3	\$0.0978		\$0.0874	\$0.0530	\$0.0366	\$0.0663	\$0.0765	\$0.1142	
4	\$0.1129		\$0.1025	\$0.0681	\$0.0663	\$0.0401	\$0.0459	\$0.0834	
5	\$0.1231		\$0.1126	\$0.0783	\$0.0765	\$0.0459	\$0.0427	\$0.0765	
6	\$0.1608		\$0.1503	\$0.1159	\$0.1142	\$0.0834	\$0.0765	\$0.0642	

Minimum
Commodity Rates 2/

RECEIPT ZONE	DELIVERY ZONE								
	0	L	1	2	3	4	5	6	
0	\$0.0026		\$0.0096	\$0.0161	\$0.0191	\$0.0233	\$0.0268	\$0.0326	
L		\$0.0034							
1	\$0.0096		\$0.0067	\$0.0129	\$0.0159	\$0.0202	\$0.0236	\$0.0294	
2	\$0.0161		\$0.0129	\$0.0024	\$0.0054	\$0.0100	\$0.0131	\$0.0189	
3	\$0.0191		\$0.0159	\$0.0054	\$0.0004	\$0.0095	\$0.0126	\$0.0184	
4	\$0.0237		\$0.0205	\$0.0100	\$0.0095	\$0.0015	\$0.0032	\$0.0090	
5	\$0.0268		\$0.0236	\$0.0131	\$0.0126	\$0.0032	\$0.0022	\$0.0069	
6	\$0.0326		\$0.0294	\$0.0189	\$0.0184	\$0.0090	\$0.0069	\$0.0031	

Maximum
Commodity Rates 1/, 2/

RECEIPT ZONE	DELIVERY ZONE								
	0	L	1	2	3	4	5	6	
0	\$0.0458		\$0.0688	\$0.0899	\$0.0997	\$0.1137	\$0.1250	\$0.1627	
L		\$0.0305							
1	\$0.0688		\$0.0591	\$0.0795	\$0.0893	\$0.1033	\$0.1145	\$0.1522	
2	\$0.0899		\$0.0795	\$0.0452	\$0.0549	\$0.0700	\$0.0802	\$0.1178	
3	\$0.0997		\$0.0893	\$0.0549	\$0.0385	\$0.0682	\$0.0784	\$0.1161	
4	\$0.1148		\$0.1044	\$0.0700	\$0.0682	\$0.0420	\$0.0478	\$0.0853	
5	\$0.1250		\$0.1145	\$0.0802	\$0.0784	\$0.0478	\$0.0446	\$0.0784	
6	\$0.1627		\$0.1522	\$0.1178	\$0.1161	\$0.0853	\$0.0784	\$0.0661	

Notes:

- 1/ The above maximum rates include a per Dth charge for:
(ACA) Annual Charge Adjustment \$0.0019
- 2/ The applicable fuel retention percentages are listed on Sheet No. 29, provided that for service rendered solely by displacement, shipper shall render only the quantity of gas associated with losses of .5%.

Issued by: Byron S. Wright, Vice President
Issued on: August 31, 2004

Effective on: October 1, 2004

LOUISVILLE GAS AND ELECTRIC COMPANY**Gas Supply Clause: 2005-00XXX****Calculation of Gas Cost Actual Adjustment (GCAA)**

The purpose of this adjustment is to compensate for over- or under-recoveries which result from differences between various quarters' revenues collected to recover expected gas costs and the actual gas costs incurred during each such quarter. As shown on Page 1 of Exhibit B-1, the amount of over-recovery from Case Number 2004-00271 during the three-month period of August 2004 through October 2004 was \$5,148,865. The calculation of the Gas Cost Actual Adjustment (GCAA) set forth in Exhibit B-1 results in a credit of 1.417¢ per 100 cubic feet, which LG&E will place in effect with service rendered on and after February 1, 2005, and continue for 12 months. Also enclosed, on pages 5 and 6 of Exhibit B-1, is a breakdown of gas purchases for the three-month period from August 2004 through October 2004. [Please note that the names of the suppliers have been redacted from this page, in accordance with LG&E's petition for confidentiality filed this quarter.]

Also in this filing, LG&E will be eliminating the GCAA from Case 2003-00260, with service rendered through January 31, 2005, which will have been in effect for twelve months. Any over or under recovery of the amount originally established in this GCAA will be transferred to the Gas Cost Balance Adjustment (GCBA) which will be implemented in LG&E's next Gas Supply Clause filing with service rendered on and after the month of May 2005.

Therefore, the Gas Cost Actual Adjustment will be as follows:

Current Quarter Actual Adjustment:	
Effective February 1, 2005 from 2004-00271	(1.417) cents/Ccf
Previous Quarter Actual Adjustment	
Effective November 1, 2004 from 2004-00117	0.777 cents/Ccf
2nd Previous Quarter Actual Adjustment:	
Effective August 1, 2004 from 2003-00506	(0.530) cents/Ccf
3rd Previous Quarter Actual Adjustment	
Effective May 1, 2004 from 2003-00385	1.785 cents/Ccf
Total Gas Cost Actual Adjustment (GCAA)	0.615 cents/Ccf

LOUISVILLE GAS AND ELECTRIC COMPANY
Calculation of Gas Cost Actual Adjustment
Which Compensates for Over- or Under-
Recoveries of Gas Supply Costs

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Cost Recovery Under GSC Compared to Actual Gas Supply Costs			Expected Mcf Sales for 12-Month Period From Date Implemented	Derivation of Gas Cost Actual Adjustment (GCAA) Which Compensates for Over or Under Recoveries		
	Total Dollars of Gas Cost Recovered ¹	Gas Supply Cost Per Books ²	Over Or (Under) Recovery (1) - (2)		GCAA Per Mcf	GCAA Per 100 Cu. Ft.	Implemented With Service Rendered On
Feb - Apr 1999 Case # 90-158 GG	36,283,806	41,131,284	(4,847,478)	39,617,019	\$0.1224	\$0.01224	8/1/1999
May - Jul 1999 Case # 90-158 HH	10,084,748	11,234,255	(1,149,507)	39,790,038	\$0.0289	\$0.00289	11/1/1999
Aug - Oct 1999 Case # 90-158 II	14,670,138	14,876,938	(206,800)	40,315,574	\$0.0051	\$0.00051	2/1/2000
Nov - Jan 2000 Case # 90-158 JJ	61,376,761	59,434,246	1,942,515	40,445,558	(\$0.0480)	(\$0.00480)	5/1/2000
Feb - April 2000 Case # 90-158 KK	47,258,205	51,202,070	(3,943,865)	40,600,194	\$0.0971	\$0.00971	8/1/2000
May - July 2000 Case # 90-158 LL	14,233,712	18,761,623	(4,527,911)	39,895,493	\$0.1135	\$0.01135	11/1/2000
Aug - Oct 2000 Case # 90-158 MM	24,864,694	24,945,636	(80,942)	40,185,038	\$0.0020	\$0.00020	2/1/2001
Nov 2000 - Jan 2001 Case # 2000-080-A	128,334,845	166,746,237	(38,411,392)	40,502,982	\$0.9484	\$0.09484	5/1/2001
Feb 2001 - Apr 2001 Case # 2000-080-B	84,744,480	72,203,459	12,541,021	40,583,967	(\$0.3090)	(\$0.03090)	8/1/2001
May 2001 - Jul 2001 Case # 2000-080-D	17,764,983	15,885,438	1,899,545	40,602,547	(\$0.0468)	(\$0.00468)	11/1/2001
Aug 2001 - Oct 2001 Case # 2000-080-G	18,398,144	14,357,692	4,040,452	37,352,279	(\$0.1082)	(\$0.01082)	2/01/2002
Nov 2001 - Jan 2002 Case # 2000-080-H	56,558,240	58,396,260	(1,838,020)	37,610,431	\$0.0489	\$0.00489	5/01/2002
Feb 2002 - Apr 2002 Case # 2000-080-I	56,940,651	60,982,147	(12,230,238) ³	37,752,063	\$0.3240	\$0.03240	8/1/2002
May 2002 - July 2002 Case # 2002-00110	13,438,971	15,122,528	(1,683,557)	36,753,737	\$0.0458	\$0.00458	11/1/2002
Aug 2002 - Oct 2002 Case #2002-00261	15,907,785	17,086,539	(1,178,754)	36,801,563	\$0.0320	\$0.00320	2/1/2003
Nov 2002 - Jan 2003 Case # 2002-00368	97,958,248	107,648,978	(9,690,730)	36,918,853	\$0.2625	\$0.02625	5/1/2003
Feb 2003-Apr 2003 Case # 2003-00004	68,860,317	89,433,601	(20,573,284)	36,900,588	\$0.5575	\$0.05575	8/1/2003
May 2003-Jul 2003 Case # 2003-000121	18,971,902	18,559,852	412,050	36,348,575	(\$0.0113)	(\$0.00113)	11/1/2003
Aug 2003 - Oct 2003 Case # 2003-00260	25,560,264	20,773,050	4,787,214	36,405,180	(\$0.1315)	(\$0.01315)	2/1/2004
Nov 2003 - Jan 2004 Case # 2003-00385	110,568,160	117,066,050	(6,497,890)	36,398,609	\$0.1785	\$0.01785	5/1/2004
Feb 2004 - Apr 2004 Case # 2003-00506	83,438,486	81,507,939	1,930,547	36,434,958	(\$0.0530)	(\$0.00530)	8/1/2004
May 2004 - Jul 2004 Case # 2004-00117	19,042,943	21,865,358	(2,822,415)	36,321,555	\$0.0777	\$0.00777	11/1/2004
Aug 2004 - Oct 2004 Case # 2004-00271	25,903,070	20,754,205	5,148,865	36,326,312	(\$0.1417)	(\$0.01417)	2/1/2005

¹ See Page 2 of this Exhibit.

² See Page 4 of this Exhibit.

³ This amount includes \$8,188,742 transferred from the Gas Supply Balance Adjustment (Exhibit C-1, Page 1 of 2, column 3).

LOUISVILLE GAS AND ELECTRIC COMPANY
Calculation of Gas Costs Recovered
Under Company's Gas Supply Clause

	Monthly Mcf Sales ¹	Feb 1, 2003 Through Apr 30, 2003	May 1, 2003 Through July 31, 2003	Aug 1, 2003 Through Oct 31, 2003	Nov 1, 2003 Through Jan 31, 2004	Feb 1, 2004 Through Apr 30, 2004	May 1, 2004 Through Jul 31, 2004	Aug 1, 2004 Through October 2004
1	2003							
2	FEB	7,805,666						
3	MAR	5,679,970						
4	APR	2,529,326	5,871					
5	MAY	1,479,795	807,024					
6	JUNE	839,032	1,001,262					
7	JULY	813,398	813,398					
8	AUG	776,397	334,307	442,089				
9	SEP	838,187		838,187				
10	OCT	1,205,172		1,205,172				
11	NOV	2,087,577		954,592	1,132,986			
12	DEC	4,861,196			4,861,196			
13	JAN	6,693,093			6,693,093			
14	FEB	7,344,817			3,327,102			
15	MAR	4,514,128			4,017,715			
16	APR	2,866,544			4,514,128			
17	MAY	1,379,481			2,866,544			
18	JUNE	891,921			641,122	738,359		
19	JULY	793,351				891,921		
20	AUG	832,453				793,150		
21	SEPT	1,030,809				344,017		449,334
22	OCT	1,869,532						832,453
23	NOV							1,030,809
24	NOV							841,907
23	Applicable Mcf Sales During 3 Month Period	12,976,494	2,961,852	3,440,040	16,014,377	12,039,509	2,767,447	3,154,503
24	Gas Supply Clause No.	2003-00004	2003-00121	2003-00260	2003-00385	2003-00506	2004-00117	2004-00271
25	Gas Supply Cost Recovered Per Mcf Sold	\$4,9304	\$6,2395	\$7,1172	\$6,3665	\$6,5281	\$6,7718	\$7,9764
26	Dollars of Recovery Under GSC	\$63,979,306	\$18,480,476	\$24,483,453	\$101,955,528	\$78,595,119	\$18,740,595	\$25,161,579
27	Mcf of Customer-Owned Gas Transported Under Rate TS	55,814	23,544	20,420	16,050	14,894	6,416	17,683
28	Pipeline Suppliers' Demand Component Per Mcf	0.7467	0.6348	0.6423	1.0865	0.8613	0.7071	0.8495
29	Dollars of Recovery Under Rate TS (Line 27 x Line 28)	\$41,676	\$14,946	\$13,116	\$17,438	\$12,828	\$4,537	\$15,021
30	Dollars of Recovery Under Rate FT (See Ex B-1, Page 3)	\$299,388	\$476,481	\$334,043	\$546,967	\$296,164	\$297,812	\$286,070
31	Revenues from Off-system Sales	\$4,539,949	\$0	\$729,651	\$8,048,227	\$4,534,375	\$0	\$440,400
32	Total \$'s of Gas Cost Recovered (Line 23 + Line 26 + Line 27 + Line 28)	\$68,860,319	\$18,971,902	\$25,560,264	\$110,568,160	\$83,438,486	\$19,042,943	\$25,903,070

1. Monthly Mcf Sales include volumes for Natural Gas Vehicles (NGVs).
2. Due to PSC Order in Administrative Case No. 384 requiring monthly GSC filings

LOUISVILLE GAS AND ELECTRIC COMPANY
Summary of Gas Costs Recovered
Under Provisions of Rate FT

(1) Billing Month	(2) Case Number	(3) UCDI Demand Chrg / Mcf	(4) Seasonal RBS Demand Chrg / Mcf	(5) RBS Demand Chrg / Mcf	(6) Cash-Out Sales (Mcf)	(7) Cash-Out Sales (\$)	(8) MMBTU Adjust. (Mcf)	(9) MMBTU Adjust. (\$)	(10) UCDI Mcf	(11) UCDI \$ [(3) x (10)]	(12) Seasonal RBS Mcf	(13) Seasonal RBS \$ [(4) x (12)]	(14) RBS Mcf	(15) RBS \$ [(5) x (14)]	(16) OFO \$	(17) Monthly \$'s Recovered [(7)+(9)+(11) + (12)+(15)+(16)]
2002 Aug	2002-00261	0.1755	0	\$5.56	5,174.1	\$18,567.94	171.0	\$547.20	43,104.2	\$12,737.29	0.0	\$0.00	0.00	\$0.00	\$0.00	\$31,852.43
2002 Sep	2002-00261	0.1755	0	\$5.56	811.6	\$3,452.19	5.0	\$18.18	70,587.8	\$21,355.81	0.0	\$0.00	0.00	\$0.00	\$40,974.34	\$65,800.52
2002 Oct	2002-00261	0.1755	0	\$5.56	8,720.0	\$44,753.70	-	\$0.00	83,290.9	\$24,671.35	0.0	\$0.00	0.00	\$0.00	\$6,374.73	\$75,799.78
															\$47,349.07	\$173,452.73
2002 Nov	2002-00368	0.2186	0	\$6.65	14,576.0	\$75,393.45	15.0	\$65.58	67,502.4	\$23,521.19	0.0	\$0.00	0.00	\$0.00	\$0.00	\$98,980.22
2002 Dec	2002-00368	0.2186	0	\$6.65	10,030.5	\$58,631.06	-	\$0.00	89,131.6	\$31,607.12	0.0	\$0.00	0.00	\$0.00	\$0.00	\$80,238.18
2003 Jan	2002-00368	0.2186	0	\$6.65	9,830.6	\$59,160.18	2,137.0	\$12,770.72	87,949.7	\$29,445.20	0.0	\$0.00	0.00	\$0.00	\$6,486.82	\$117,862.92
															\$6,486.82	\$173,452.73
2003 Feb	2003-00004	0.1861	0	\$5.56	5,006.7	\$58,129.05	3,039.0	\$2,894.31	101,605.2	\$30,771.53	0.0	\$0.00	0.00	\$0.00	\$0.00	\$81,794.89
2003 Mar	2003-00004	0.1861	0	\$5.56	319.8	\$2,785.68	1,456.0	\$11,043.79	129,839.3	\$41,044.89	0.0	\$0.00	0.00	\$0.00	\$0.00	\$54,874.36
2003 Apr	2003-00004	0.1861	0	\$5.56	9,137.1	\$53,460.63	11,142.0	\$64,601.31	91,035.6	\$28,169.95	0.0	\$0.00	0.00	\$0.00	\$18,524.02	\$164,755.91
															\$18,524.02	\$311,425.16
2003 May	2003-00121	0.1586	0	\$4.82	27,943.4	\$197,850.08	5,499.0	\$33,692.38	64,545.4	\$17,880.29	0.0	\$0.00	0.00	\$0.00	\$0.00	\$249,422.75
2003 June	2003-00121	0.1586	0	\$4.82	8,161.2	\$52,951.37	10,197.0	\$62,854.32	50,951.7	\$16,024.26	0.0	\$0.00	0.00	\$0.00	\$0.00	\$131,829.95
2003 July	2003-00121	0.1586	0	\$4.82	4,166.7	\$23,307.59	9,937.0	\$52,844.98	67,137.0	\$19,075.48	0.0	\$0.00	0.00	\$0.00	\$0.00	\$95,228.05
															\$0.00	\$311,425.16
2003 Aug	2003-00260	0.1613	0	\$4.91	470.4	\$2,845.05	7,387.0	\$38,656.20	42,946.4	\$12,421.07	0.0	\$0.00	0.00	\$0.00	\$24,607.35	\$76,529.67
2003 Sep	2003-00260	0.1613	0	\$4.91	21,705.0	\$106,425.35	8,995.0	\$43,913.59	42,759.6	\$11,627.52	0.0	\$0.00	0.00	\$0.00	\$0.00	\$161,966.46
2003 Oct	2003-00260	0.1613	0	\$4.91	10,878.6	\$56,773.66	2,068.0	\$10,457.89	96,035.1	\$26,315.74	0.0	\$0.00	0.00	\$0.00	\$0.00	\$93,547.29
															\$24,607.35	\$476,480.75
2003 Nov	2003-00365	0.2607	0	\$7.93	4,499.0	\$22,681.05	1,697.0	\$8,133.72	116,960.7	\$42,930.83	0.0	\$0.00	0.00	\$0.00	\$0.00	\$73,745.60
2003 Dec	2003-00385	0.2607	0	\$7.93	28,901.9	\$186,556.10	779.0	\$4,955.00	132,944.6	\$42,675.21	0.0	\$0.00	0.00	\$0.00	\$0.00	\$234,187.31
2004 Jan	2003-00385	0.2607	0	\$7.93	7,978.7	\$59,370.67	7,192.0	\$48,092.91	92,860.1	\$35,856.34	0.0	\$0.00	0.00	\$0.00	\$96,714.24	\$239,034.16
															\$96,714.24	\$334,043.42
2004 Feb	2003-00506	0.2072	0	\$6.30	5,626.8	\$34,341.62	4,270.0	\$24,642.17	62,896.2	\$17,585.13	0.0	\$0.00	0.00	\$0.00	\$18,464.21	\$95,033.13
2004 Mar	2003-00506	0.2072	0	\$6.30	5,705.6	\$36,547.71	6,268.0	\$35,589.70	112,940.4	\$36,954.10	0.0	\$0.00	0.00	\$0.00	\$0.00	\$109,091.51
2004 Apr	2003-00506	0.2072	0	\$6.30	8318.3	\$55,019.43	1,992.0	\$12,292.63	75,573.1	\$24,727.52	0.0	\$0.00	0.00	\$0.00	\$0.00	\$92,039.58
															\$18,464.21	\$296,164.22
2004 May	2004-00117	0.1701	0	\$5.17	5,779.3	\$41,012.37	836.0	\$5,606.21	57,931.7	\$9,854.18	0.0	\$0.00	0.00	\$0.00	\$0.00	\$56,472.76
2004 Jun	2004-00117	0.1701	0	\$5.17	13,146.0	\$69,424.43	3,300.0	\$21,780.00	48,361.6	\$8,226.31	0.0	\$0.00	0.00	\$0.00	\$0.00	\$119,430.74
2004 Jul	2004-00117	0.1701	0	\$5.17	15,422.8	\$103,606.08	1,824.0	\$11,671.36	38,980.7	\$6,630.82	0.0	\$0.00	0.00	\$0.00	\$0.00	\$121,908.06
															\$0.00	\$297,811.56
2004 Aug	2004-00271	0.2105	0	\$6.40	13,946.0	\$87,896.88	2,538.0	\$15,145.96	40,216.9	\$8,465.66	0.0	\$0.00	0.00	\$0.00	\$11,464.54	\$122,973.04
2004 Sept	2004-00271	0.2105	0	\$6.40	6,951.5	\$46,061.28	2,384.0	\$11,976.38	51,928.2	\$10,930.89	0.0	\$0.00	0.00	\$0.00	\$10,107.68	\$79,076.23
2004 Oct	2004-00271	0.2105	0	\$6.40	7,560.2	\$55,096.68	1,164.0	\$7,062.64	56,348.9	\$11,861.44	0.0	\$0.00	0.00	\$0.00	\$0.00	\$84,020.76
															\$21,572.22	\$286,070.03

Note: Should a Customer served under Rate FT under-nominate its monthly gas supply needs, a Cash-Out Sale is made to the Customer. This sale, which is based upon the cash-out price established in Rate FT, is also flowed through the GCAA as revenue.

Note: Changes in billings of the Cash-out Provision caused by variations in the MMBTU content of the gas are corrected on the following month's bill. Should such change occur as a charge to the customer, such revenue is flowed through the GCAA.

* Correction to FT Revenues is being made to correct unintentional underreporting of FT Revenues since November 2001.

LOUISVILLE GAS AND ELECTRIC COMPANY
Total Gas Supply Cost Per Books

	MCF										DOLLARS									
	Mcf Purchases	Purchases for OSS	Less: Purchases for Depls. other Than Gas Depl.	Less: Purchases Injected Into Storage	Plus: Mcf Withdrawn From Storage	Plus Storage Losses	Mcf Screenshot (Gas Depl)	Purchased Gas Costs	Purchased Gas Costs for OSS	Less: Purchases for Non-Gas Departments	Less: Purchases Injected Into Storage	Plus: Cost of Gas Withdrawn From Storage	Plus Storage Losses	Plus: Other Gas Purchase Expenses	Total Gas Supply Cost					
February	4,620,716	721,067	(101,980)	0	2,701,310	0	7,941,113	32,487,948	4,161,059	(502,055)	0	10,819,017	0	5,725	46,971,734					
March	2,548,797	0	(68,404)	0	1,438,402	0	3,918,795	23,707,557	0	(405,272)	0	5,760,800	0	5,884	29,068,970					
April	634,395	0	(58,166)	0	1,524,682	0	2,100,901	7,878,912	0	(598,432)	0	6,106,504	0	5,914	13,392,897					
Total February 2003 thru April 2003							13,960,809								89,433,601					
May	601,422	0	(149,525)	(319)	699,656	0	1,151,234	5,122,236	0	(1,139,925)	(2,819)	2,802,472	0	5,270	6,787,234					
June	2,709,736	0	(64,964)	(1,669,684)	1,233	0	976,321	18,570,288	0	(381,641)	(11,439,673)	6,313	0	17,543	6,772,830					
July	3,775,025	0	(140,183)	(2,781,316)	940	0	854,466	22,053,938	0	(808,869)	(16,257,626)	5,083	0	7,264	4,999,790					
Total May thru July 2003							2,982,021								18,559,854					
August	4,115,417	0	(151,356)	(3,101,260)	785	0	863,586	22,649,406	0	(848,796)	(17,055,690)	4,257	0	6,203	4,755,391					
September	3,981,117	0	(88,121)	(2,897,273)	735	0	996,458	20,571,326	0	(458,101)	(14,966,443)	3,951	0	4,396	5,155,129					
October	3,841,724	148,975	(95,230)	(1,912,962)	1,041	0	2,023,548	20,873,890	670,349	(299,899)	(10,394,079)	5,603	0	6,666	10,862,530					
Total August thru October 2003							3,883,592								20,773,050					
November	2,675,547	343,371	(42,522)	(396,872)	930,628	0	3,510,152	16,923,313	1,555,641	(269,129)	(2,510,295)	5,032,278	0	2,676	20,734,484					
December	5,152,316	681,471	(93,088)	(150,507)	1,491,761	0	7,081,953	3,359,823	3,359,823	(434,545)	(933,595)	8,078,930	0	8,633	42,035,239					
January	4,551,729	331,895	(73,736)	(46,964)	3,526,052	0	8,250,965	33,761,889	2,081,914	(341,684)	(348,351)	19,132,273	0	6,286	54,292,327					
Total November 2003 thru January 2004							18,883,071								117,065,050					
February	3,754,776	0	(74,088)	0	2,504,444	0	6,185,132	26,387,334	0	(276,751)	0	13,581,349	0	6,553	39,699,485					
March	1,585,989	778,184	(73,829)	0	2,317,673	0	4,608,017	12,072,567	4,057,151	(319,545)	0	12,568,741	0	6,697	28,385,610					
April	977,538	48,780	(239,108)	0	1,407,254	0	2,194,464	7,111,049	257,000	(1,591,512)	0	7,631,399	0	5,908	13,423,843					
Total February thru April 2004							12,987,613								81,507,939					
May	570,966	0	(108,345)	0	652,509	0	1,115,130	6,285,267	0	(1,137,911)	0	3,538,556	0	5,709	8,691,622					
June	1,947,287	0	(95,412)	(1,007,858)	690	0	844,697	16,148,732	0	(656,098)	(8,363,087)	4,314	0	5,630	7,139,491					
July	3,599,624	0	(66,985)	(2,665,412)	(198)	0	878,389	24,722,772	0	(452,623)	(18,314,579)	(1,291)	74,068	5,899	6,034,245					
Total May thru July 2004							2,838,216								21,865,358					
August	4,277,749	0	(94,370)	(3,310,454)	402	0	887,875	26,877,573	0	(586,294)	(20,755,884)	2,586	93,579	6,628	5,638,187					
September	3,755,189	0	(62,928)	(2,816,331)	347	0	897,707	21,141,125	0	(350,740)	(15,856,507)	2,156	134,703	4,341	5,075,078					
October	3,568,247	62,439	(41,431)	(2,598,467)	940	19,085	1,490,813	27,036,369	359,040	(280,902)	(17,209,791)	5,959	120,987	7,277	10,040,939					
Total August thru September 2004							3,276,395								20,754,205					

LOUISVILLE GAS AND ELECTRIC COMPANY
SUMMARY OF GAS PURCHASES AND COSTS BY SUPPLIER
FOR THE 3 MONTH PERIOD FROM AUGUST 2004 THROUGH OCTOBER 2004

DELIVERED BY TEXAS GAS TRANSMISSION, LLC
COMMODITY AND VOLUMETRIC CHARGES:

	AUGUST 2004		SEPTEMBER 2004		OCTOBER 2004	
	NET MMBTU	MCF	NET MMBTU	MCF	NET MMBTU	MCF
1 . NATURAL GAS SUPPLIERS						
A	0	\$0.00	0	\$0.00	589,384	\$3,375,290.16
B	310,682	\$1,708,880.34	300,860	\$1,514,330.20	310,434	\$1,941,258.67
C	0	\$0.00	0	\$0.00	67,380	\$345,690.00
D	0	\$0.00	0	\$0.00	0	\$0.00
E	0	\$0.00	53,743	\$264,850.00	(64,000)	(\$440,400.00)
F	73,500	\$451,242.00	73,500	\$382,051.56	740,875	\$4,359,749.79
G	1,122,175	\$6,535,492.36	500,821	\$2,584,386.00	127,050	\$707,720.00
H	136,836	\$746,750.00	185,687	\$839,400.00	514,619	\$2,821,370.00
I	0	\$0.00	0	\$0.00	0	\$0.00
J	335,768	\$2,030,856.70	358,380	\$1,808,047.58	310,586	\$1,748,237.99
K	310,434	\$1,878,941.16	319,002	\$1,622,377.89	121,086	\$755,580.00
L	376,075	\$2,031,950.00	14,661	\$68,325.00	0	\$0.00
M	155,372	\$945,462.18	113,896	\$585,874.69	0	\$0.00
	2,820,842	\$16,329,574.74	1,920,350	\$9,668,642.92	2,736,049	\$15,614,486.61
2 . NO-NOTICE SERVICE ("NNS") STORAGE:						
1 . WITHDRAWALS	62,095	\$366,844.84	413,800	\$2,114,973.18	157,002	\$903,876.21
2 . INJECTIONS	(108,786)	(\$642,685.93)	(17,769)	(\$90,819.14)	(380,287)	(\$2,244,083.04)
3 . ADJUSTMENTS	0	\$32,918.66	0	\$43,313.30	0	\$127,702.65
4 . ADJUSTMENTS	1,577	\$9,723.62	2,989	\$17,658.41	(1,283)	(\$6,557.54)
5 . ADJUSTMENTS	(45,114)	(\$1,531.73)	398,020	\$2,083,115.18	(234,075)	(\$1,219,205.54)
		(\$234,730.54)				
3 . TOTAL	0	\$139,839.78	0	\$119,646.72	0	\$127,875.00
	0	\$93.03	0	\$176.34	0	(\$75.71)
	2,775,728	\$139,932.81	2,319,370	\$119,823.06	2,501,974	\$127,789.29
4 . TOTAL COMMODITY AND VOLUMETRIC CHARGES		\$16,234,777.01		\$11,871,581.16		\$14,523,090.36
5 . DEMAND AND FIXED CHARGES						
1 . TEXAS GAS TRANSMISSION, LLC		\$1,013,067.60		\$945,920.40		\$1,744,620.92
2 . ADJUSTMENTS		\$0.00		\$0.00		\$0.00
3 . ADJUSTMENTS		\$0.00		\$0.00		\$0.00
4 . SUPPLY RESERVATION CHARGES		\$213,892.25		\$206,992.50		\$394,728.43
5 . CAPACITY RELEASE CREDITS		\$0.00		\$0.00		(\$9,750.00)
6 . ADJUSTMENT		\$0.00		\$0.00		\$0.00
		\$1,226,959.85		\$1,152,912.90		\$2,129,599.35
6 . TOTAL PURCHASED GAS COSTS -- TEXAS GAS TRANSMISSION, LLC		\$17,461,736.86		\$13,024,494.06		\$16,652,689.71

LOUISVILLE GAS AND ELECTRIC COMPANY
SUMMARY OF GAS PURCHASES AND COSTS BY SUPPLIER
FOR THE 3 MONTH PERIOD FROM AUGUST 2004 THROUGH OCTOBER 2004

DELIVERED BY TENNESSEE GAS PIPELINE COMPANY

COMMODITY AND VOLUMETRIC CHARGES:
NATURAL GAS SUPPLIERS:

	AUGUST 2004		SEPTEMBER 2004		OCTOBER 2004	
	NET MMBTU	MCF	NET MMBTU	MCF	NET MMBTU	MCF
1	0	0	0	0	0	0
2	444,416	431,472	430,080	417,553	444,416	431,472
3	286,267	287,638	286,710	278,359	296,024	287,402
4	650,969	632,009	611,229	593,426	650,969	632,009
5	189,348	183,833	183,240	177,903	189,348	183,833
	<u>1,581,000</u>	<u>1,534,952</u>	<u>1,511,259</u>	<u>1,467,241</u>	<u>1,580,757</u>	<u>1,534,716</u>
		\$0.00		\$0.00		\$0.00
		\$2,465,437.50		\$2,168,100.00		\$2,777,962.50
		\$1,644,369.00		\$1,446,120.00		\$1,851,333.46
		\$3,604,054.19		\$3,102,241.73		\$4,092,764.77
		\$1,050,440.73		\$923,755.14		\$1,163,597.23
		<u>\$8,764,301.42</u>		<u>\$7,640,216.87</u>		<u>\$9,905,657.96</u>
NATURAL GAS TRANSPORTERS:						
1		\$27,667.50		\$26,447.05		\$27,663.26
2		\$0.00		\$0.00		(\$0.02)
3		(\$3,616.78)		(\$4,536.15)		(\$3,091.32)
4		0		0		\$0.00
		<u>(691)</u>		<u>(878)</u>		<u>(724)</u>
TOTAL	<u>1,580,309</u>	<u>1,537,884</u>	<u>1,510,381</u>	<u>1,475,442</u>	<u>1,580,033</u>	<u>1,541,737</u>
		\$8,788,352.14		\$7,662,127.77		\$9,930,229.88
TOTAL COMMODITY AND VOLUMETRIC CHARGES						
		<u>\$329,664.00</u>		<u>\$329,664.00</u>		<u>\$329,664.00</u>
		\$0.00		\$0.00		\$0.00
		\$0.00		\$0.00		\$0.00
		\$0.00		\$0.00		\$0.00
		<u>\$0.00</u>		<u>\$0.00</u>		<u>\$0.00</u>
		<u>\$9,118,016.14</u>		<u>\$7,991,791.77</u>		<u>\$10,259,893.88</u>
TOTAL PURCHASED GAS COSTS -- TENNESSEE GAS PIPELINE COMPANY						
OTHER PURCHASES						
1		6,829	0	0	0	0
S		14,634	18,000	17,562	0	0
T		15,610	0	0	0	0
U		(50)	0	(11)	0	23
		<u>38,000</u>	<u>18,000</u>	<u>17,551</u>	<u>0</u>	<u>23</u>
		\$42,840.00	\$0.00	\$0.00	\$0.00	\$0.00
		\$95,475.00	\$97,380.00	\$97,380.00	\$0.00	\$0.00
		\$88,360.00	\$0.00	\$0.00	\$0.00	\$0.00
		<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
2		37,023	18,000	17,551	0	0
CASH-OUT OF CUSTOMER OVER-DELIVERIES		1,681	0	6,349	0	0
MISC. END-USE CASH-OUT CORRECTIONS		38,704	18,000	23,900	0	0
		<u>\$82,517.66</u>	<u>\$124,839.34</u>	<u>\$124,839.34</u>	<u>\$0.00</u>	<u>\$0.00</u>
TOTAL		<u>\$297,820.29</u>	<u>\$27,459.34</u>	<u>\$27,459.34</u>	<u>\$0.00</u>	<u>\$0.00</u>
		<u>4,394,037</u>	<u>3,847,751</u>	<u>3,755,188</u>	<u>4,082,007</u>	<u>3,988,247</u>
		\$26,877,573.29	\$21,141,125.17	\$21,141,125.17	\$26,957,009.17	\$26,957,009.17
TOTAL PURCHASED GAS COSTS -- ALL PIPELINES						

OTHER PURCHASES

1. PURCHASED FOR ELECTRIC DEPARTMENT

S

T

U

ADJUSTMENTS

2. CASH-OUT OF CUSTOMER OVER-DELIVERIES

MISC. END-USE CASH-OUT CORRECTIONS

TOTAL

TOTAL PURCHASED GAS COSTS -- ALL PIPELINES

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Supply Clause: 2005-00XXX

Calculation of Gas Cost Balance Adjustment (GCBA)

The purpose of this adjustment is to compensate for any over or under recoveries remaining from prior Gas Cost Actual Adjustments and Gas Cost Balance Adjustments. The under-recovery that must be collected under the Gas Cost Balance Adjustment (GCBA) during the period of February 1, 2005 through April 30, 2005, set forth on Page 1 of Exhibit C-1 is \$184,848. The GCBA factor required to collect this under-recovery is 0.146¢ per 100 cubic feet. LG&E will place this charge into effect with service rendered on and after February 1, 2005 and continue for three months.

In this filing, LG&E will also be eliminating the GCBA from Case 2004-00390, which, with service rendered through January 31, 2005 will have been in effect for three months. Any over- or under-recovery of the amount originally established will be transferred to the GCBA which will be implemented in LG&E's next Gas Supply Clause filing with service rendered on and after May 1, 2005.

LOUISVILLE GAS AND ELECTRIC COMPANY
Calculation of Quarterly Gas Cost Balance Adjustment
To Compensate for Over or (Under) Recoveries
From the Gas Cost Actual Adjustment (GCAA) and
Gas Cost Balance Adjustment (GCBA)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Implemented for Three-Month Period With Service Rendered On and After:	Remaining Over (Under) Recovery From GCAA ¹ (\$)	Amt. Transferred From Refund Factor & PBRRC (\$)	GCBA From Second Preceding 3 Mo. Period (\$)	Applicable Sales During 3 Mo. Period ² (mcf)	GCBA Factor From Second Preceding 3 Mo. Period (cents/mcf)	Recovery Under GCBA (\$)	Remaining Over (Under) Recovery (\$)	Deferred Amounts (\$)	Total Remaining Over (Under) Recovery (\$)	Expected Sales For 3 Mo. Period (mcf)	GCBA (cents/mcf)	GCBA (cents/ccf)
					(5) x (6)	(4) + (7)	(2 + 3 + 8 + 9)					
Feb 1, 2000 (Case No. 90-158-KK)	99,835		997,935	4,002,459	(24.21)	(968,995)	28,940		128,775	13,916,090	(0.93)	(0.093)
May 1, 2000 (Case No. 90-158-LL)	362,226	(617,311)	(348,046)	15,829,134	1.91	302,336	(45,710)		(300,794)	3,372,657	8.92	0.892
Aug 1, 2000 (Case No. 90-158 MM)	856,195	407,837 ⁴	128,775	11,499,775	(0.93)	(106,415)	22,360		1,286,392	4,242,472	(30.32)	(3.032)
Nov 1, 2000 (Case No. 2000-080-A)	(601,072)	0	(300,794)	3,303,970	8.92	294,668	(6,126)		(607,198)	18,565,717	3.27	0.327
Feb 1, 2001 (Case No. 2000-080-B)	(149,808)	0	1,286,392	3,901,253	(30.32)	(1,182,928)	103,464		(46,344)	13,763,414	0.34	0.034
May 1, 2001 (Case No. 2000-080-D)	(8,940)	(85,029) ⁵	(607,198)	20,091,139	3.27	657,087	49,889		(44,080)	3,450,684	1.28	0.128
Aug 1, 2001 (Case No. 2000-080-G)	80,430		(46,344)	9,271,406	0.34	31,219	(15,126)		65,304	4,314,643	(1.51)	(0.151)
Nov 1, 2001 (Case No. 2000-080-H)	(215,729)		(44,080)	2,905,333	1.28	37,113	(6,966)		(222,695)	18,683,795	1.19	0.119
Feb 1, 2002 (Case No. 2000-080-I)	(196,171)		65,304	3,650,012	(1.51)	(55,244)	10,061		(188,164)	13,597,583	1.38	0.138
May 1, 2002 (Case No. 2002-00110)	(15,777)		(222,695)	13,720,912	1.19	163,542	(59,153)		(74,930)	3,280,770	2.28	0.228
Aug 1, 2002 (Case No. 2002-00261)	(8,188,742)	8,188,742 ⁶	(188,164)	11,586,976	1.38	160,341	(27,823)		(27,823)	3,928,057	0.71	0.071
Nov 1, 2002 (Case No. 2002-00368)	2,636,575		(74,930)	3,095,321	2.28	70,695	(4,236)		2,632,339	17,781,076	(14.80)	(1.480)
Feb 1, 2003 (Case No. 2003-00004)	398,606		(27,823)	3,668,145	0.71	26,044	(1,779)		396,827	13,009,658	(3.05)	(0.305)
May 1, 2003 (Case No. 2003-00121)	97,787		2,632,339	18,255,311	(14.80)	(2,702,546)	(70,207)		27,580	3,519,058	(0.78)	(0.078)
Aug 1, 2003 (Case No. 2003-00260)	19,949		396,827	12,976,494	(3.05)	(395,783)	1,044		20,993	3,691,785	(0.57)	(0.057)
Nov. 1, 2003 (Case No. 2003-00385)	35,085		27,580	2,961,852	(0.78)	(23,102)	4,478		39,563	17,166,186	(0.23)	(0.023)
Feb. 1, 2004 (Case No. 2004-00506)	40,066	(970) ⁷	20,993	3,440,040	(0.57)	(19,608)	1,385		40,481	12,672,184	(0.32)	(0.032)
May 1, 2004 (Case No. 2004-00117)	(46,186)		39,563	16,014,377	(0.23)	(36,833)	2,730		(43,456)	2,869,986 ³	1.51	0.151
Aug 1, 2004 (Case No. 2004-00271)	(648,088)	(886,051) ⁸	40,481	12,039,509	(0.32)	(38,526)	1,955		(1,532,184)	3,663,708	41.82	4.182
Nov 1, 2004 (Case No. 2004-00390)	(1,472,569)		(43,456)	2,767,447	1.51	41,788	(1,668)		(1,474,237)	16,297,803	9.05	0.905
Feb 1, 2005 (Case No. 2005-00XXX)	28,123		(1,532,184)	3,154,503	41.82	1,319,213	(212,971)		(184,848)	12,678,174	1.46	0.146

1 See Exhibit C-1, page 2.
2 Corresponds with actual applicable sales shown on Exhibit B-1, page 2.
3 Forecasted 3-month period including February 1, 2005 - April 30, 2005
4 Previous value for Case No. 90-158 LL (\$ 617,311) was overstated. The actual value should have been (\$ 209,474). A resulting adjustment of \$407,837 is shown.
5 Final reconciliation of the PBRRC established in Case No. 90-158-KK
6 This amount transferred to Gas Supply Actual Adjustment (Exhibit B-1, page 1 of 6, column 3).
7 This amount represents an over-refund by LG&E from Case No. 2002-00368 of a pipeline supplier refund.
8 Reconciliation of the PBRRC from Case Nos. 2000-080-B, 2000-080-I, and 2002-00261.

LOUISVILLE GAS AND ELECTRIC COMPANY

		Amount of Over (Under) Recovery - See Exhibit B-1, Page 1		As Pro-Rated for Service Rendered During:		GCAA Case No.		GCAA Case No.		GCAA Case No.		GCAA Case No.		GCAA Case No.	
						2000-080-G		2000-080-H		2000-080-I		2002-00261		2002-00368	
						February 1, 2002		May 1, 2002		August 1, 2002		February 1, 2003		May 1, 2003	
						(\$4,040,452)		(\$1,838,020)		(\$12,230,238)		(\$1,178,754)		(\$9,690,730)	
						cents per Mcf		cents per Mcf		cents per Mcf		cents per Mcf		cents per Mcf	
						Billed		Billed		Billed		Billed		Billed	
						Under		Under		Under		Under		Under	
						Amount		Amount		Amount		Amount		Amount	
						2003-00121		2003-00004		2003-00004		2003-00121		2003-00121	
						November 1, 2002		August 1, 2003		August 1, 2003		November 1, 2003		November 1, 2003	
						(\$11,663,557)		(\$20,573,284)		(\$20,573,284)		(\$412,050)		(\$412,050)	
						cents per Mcf		cents per Mcf		cents per Mcf		cents per Mcf		cents per Mcf	
						Amount		Amount		Amount		Amount		Amount	
						Billed		Billed		Billed		Billed		Billed	
						Under		Under		Under		Under		Under	
						Amount		Amount		Amount		Amount		Amount	
						2003-00121		2003-00004		2003-00004		2003-00121		2003-00121	
						November 1, 2002		August 1, 2003		August 1, 2003		November 1, 2003		November 1, 2003	
						(\$11,663,557)		(\$20,573,284)		(\$20,573,284)		(\$412,050)		(\$412,050)	
						cents per Mcf		cents per Mcf		cents per Mcf		cents per Mcf		cents per Mcf	
						Amount		Amount		Amount		Amount		Amount	
						Billed		Billed		Billed		Billed		Billed	
						Under		Under		Under		Under		Under	
						Amount		Amount		Amount		Amount		Amount	
						2003-00121		2003-00004		2003-00004		2003-00121		2003-00121	
						November 1, 2002		August 1, 2003		August 1, 2003		November 1, 2003		November 1, 2003	
						(\$11,663,557)		(\$20,573,284)		(\$20,573,284)		(\$412,050)		(\$412,050)	
						cents per Mcf		cents per Mcf		cents per Mcf		cents per Mcf		cents per Mcf	
February	5,134,404		2,483,662	2,647,742		-268,732.23 (3)									
March	5,279,406					-571,231.76 (1)									
April	3,043,937	3,754				-329,353.95 (1)	183.58 (2)								
May	1,404,972		616,645	768,327		-152,017.92 (1)	38,549.18 (4)								
June	1,122,503		1,122,503			-121,454.82 (1)	54,890.40 (1)								
July	824,878		824,878			-89,251.80 (1)	40,336.53 (1)								
August	755,634		399,774			-81,759.60 (1)	36,950.50 (1)								
September	814,598					-88,139.50 (1)	39,833.84 (1)								
October	1,104,152					-119,469.25 (1)	53,993.03 (1)								
November	2,892,739					-312,994.36 (1)	141,454.94 (1)								
December	5,988,731		1,349,623	1,543,116		-649,062.69 (1)	293,337.95 (1)								
2003	7,002,308					-757,649.73 (1)	342,412.86 (1)								
January	7,805,666		4,094,509			-401,547.45 (2)	277,750.52 (1)								
February	5,679,970					123,971.13 (1)	821,403.83 (1)								
March	2,535,197	5,871				32,894.47 (2)									
April	1,479,713	807,024													
May	1,001,262														
June	813,386														
July	776,397														
August	836,187														
September	1,205,172														
October	2,087,577														
November	4,861,196														
December	6,593,093														
2004	7,344,817														
January	4,514,128														
February	2,866,544														
March	1,379,481														
April	891,921														
May	793,150														
June	793,351														
July	832,453														
August	1,030,809														
September	1,869,532														
October															
November															
Total Amount Billed Under GCAA						(3,942,665)	1,858,256	12,267,225	1,723,623	1,132,568	9,044,642	19,100,715	(383,927)		
Remaining Amount of Over (Under) Recovery						97,787	20,236	36,987	40,066	(46,186)	(646,088)	(1,472,569)	28,123		

(1) GCAA Times Sales Shown in Column 1.
(2) GCAA Times Sales Shown in Column 2.
(3) GCAA Times Sales Shown in Column 3.
(4) GCAA Times Sales Shown in Column 4.

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Supply Clause: 2005-00XXX

Refund Factors (RF) continuing for twelve months from the effective data of each or until LG&E has discharged its refund obligations thereunder.

The purpose of this adjustment is to pass through refunds received by Louisville Gas and Electric Company ("LG&E") associated with Texas Gas Transmission Corporation.

Since no new refunds have been received, there is no Refund Factor in effect and applicable to gas service rendered for the period February 1, 2005 through April 30, 2005.

	<u>Sale Volumes</u>	<u>Transportation Volumes</u>
Refund Factor Effective February 1, 2005 (a)	\$0.0000/Ccf	\$0.0000/Ccf

- (a) Please note that Louisville Gas and Electric Company's Tariff Sales Volumes receive both the commodity-related and demand-related portion of the Refund Factor. Transportation volumes under the Rate TS receive only the demand-related portion of the Refund Factor

LOUISVILLE GAS AND ELECTRIC**Gas Supply Clause: 2005-00xxx
Calculation of Performance Based Rate Recovery Component (PBRRC)**

The purpose of the PBRRC is to collect Louisville Gas and Electric Company's portion of the savings created under the gas supply cost PBR. Pursuant to the gas supply cost PBR mechanism approved in Case No. 2001-00117, the PBRRC established in Case No. 2003-00506 became applicable to gas service rendered on and after February 1, 2004 and will remain in effect until January 31, 2005, after which time a new adjustment level may be implemented. Therefore, as shown in the following table, the PBRRC amount which will become effective with gas service rendered on and after February 1, 2005, and will remain in effect until January 31, 2006, is \$0.00618 and \$0.00076 per 100 cubic feet for sales and standby transportation volumes, respectively:

	<u>Sales Volumes</u>	<u>Transportation Volumes</u>
Commodity-Related Portion	\$0.00542/Ccf	\$0.00000/Ccf
Demand-Related Portion	<u>\$0.00076/Ccf</u>	<u>\$0.00076/Ccf</u>
Total PBRRC	\$0.00618/Ccf	\$0.00076/Ccf

Please note that Louisville Gas and Electric Company's tariff sales volumes receive both the commodity-related and demand-related portion of the PBRRC. Transportation volumes under Rate TS receive only the demand-related portion of the PBRRC.

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Supply Clause 2005-00XXX
Calculation of Performance Based Rate Recovery Component (PBRRC)
Effective February 1, 2005

	<u>CSPBR Related to Commodity</u>	<u>CSPBR Related to Demand</u>
Shareholder Portion of PBR	\$1,968,353	\$276,831
Expected Mcf Sales for the 12 month period beginning February 1, 2005	36,326,312	36,544,433
PBRRC factor per Mcf	\$0.0542	\$0.0076
PBRRC factor per Ccf	\$0.00542	\$0.00076

Gas Supply Clause 2005-00XXX
Shareholder Portion of PBR Savings
PBR Year 7
Split between Demand (Fixed) and Commodity (Volumetric) Components
As Determined in LG&E's Fourth Quarterly PBR Filing

	<u>Commodity</u>	<u>Demand</u>	<u>Total</u>
Company Share of PBR Savings or (Expenses) (CSPBR)	\$1,968,353	\$276,831	\$2,245,184

LOUISVILLE GAS AND ELECTRIC COMPANY

**GAS SERVICE RATES EFFECTIVE WITH SERVICE
RENDERED FROM FEBRUARY 1, 2005 THROUGH APRIL 30, 2005**

	<u>RATE PER 100 CUBIC FEET</u>				
	<u>CUSTOMER CHARGE (PER MONTH)</u>	<u>DISTRIBUTION COST COMPONENT</u>	<u>GAS SUPPLY COST COMPONENT (GSCC)</u>	<u>DSM COST RECOVERY COMPONENT</u>	<u>TOTAL</u>
RATE RGS - RESIDENTIAL					
CUSTOMER CHARGE	\$8.50				
ALL CCF		\$0.15470	\$0.73789	0.00349	\$0.89608
RATE CGS - COMMERCIAL (meter capacity < 5000 CF/HR)					
CUSTOMER CHARGE	\$16.50				
APRIL THRU OCTOBER					
FIRST 1000 CCF/MONTH		\$0.14968	\$0.73789	-0.00051	\$0.88706
OVER 1000 CCF/MONTH		\$0.09968	\$0.73789	-0.00051	\$0.83706
NOVEMBER THRU MARCH					
ALL CCF		\$0.14968	\$0.73789	-0.00051	\$0.88706
RATE CGS - COMMERCIAL (meter capacity >= 5000 CF/HR)					
CUSTOMER CHARGE	\$117.00				
APRIL THRU OCTOBER					
FIRST 1000 CCF/MONTH		\$0.14968	\$0.73789	-0.00051	\$0.88706
OVER 1000 CCF/MONTH		\$0.09968	\$0.73789	-0.00051	\$0.83706
NOVEMBER THRU MARCH					
ALL CCF		\$0.14968	\$0.73789	-0.00051	\$0.88706
RATE IGS - INDUSTRIAL (meter capacity < 5000 CF/HR)					
CUSTOMER CHARGE	\$16.50				
APRIL THRU OCTOBER					
FIRST 1000 CCF/MONTH		\$0.14968	\$0.73789	0.00000	\$0.88757
OVER 1000 CCF/MONTH		\$0.09968	\$0.73789	0.00000	\$0.83757
NOVEMBER THRU MARCH					
ALL CCF		\$0.14968	\$0.73789	0.00000	\$0.88757
RATE IGS - INDUSTRIAL (meter capacity >= 5000 CF/HR)					
CUSTOMER CHARGE	\$117.00				
APRIL THRU OCTOBER					
FIRST 1000 CCF/MONTH		\$0.14968	\$0.73789	0.00000	\$0.88757
OVER 1000 CCF/MONTH		\$0.09968	\$0.73789	0.00000	\$0.83757
NOVEMBER THRU MARCH					
ALL CCF		\$0.14968	\$0.73789	0.00000	\$0.88757
Rate AAGA	\$150.00	\$0.05252	\$0.73789	-0.00051	\$0.78990

EFFECTIVE RATES FOR RATE TS TRANSPORTATION SERVICE

RENDERED FROM FEBRUARY 1, 2005 THROUGH APRIL 30, 2005

	<u>RATE PER MCF</u>				
	<u>ADMIN. CHARGE (PER MONTH)</u>	<u>LG&E DIST CHARGE</u>	<u>PIPELINE SUPPLIER'S DEMAND COMPONENT</u>	<u>DSM COST RECOVERY COMPONENT</u>	<u>TOTAL</u>
RATE TS					
RATE CGS - COMMERCIAL	\$90.00				
APRIL THRU OCTOBER					
FIRST 100 MCF/MONTH		\$1.4968	\$0.8981	-0.00510	\$2.3898
OVER 100 MCF/MONTH		\$0.9968	\$0.8981	-0.00510	\$1.8898
NOVEMBER THRU MARCH					
ALL MCF		\$1.4968	\$0.8981	-0.00510	\$2.3898
RATE IGS - INDUSTRIAL	\$90.00				
APRIL THRU OCTOBER					
FIRST 100 MCF/MONTH		\$1.4968	\$0.8981	0.00000	\$2.3949
OVER 100 MCF/MONTH		\$0.9968	\$0.8981	0.00000	\$1.8949
NOVEMBER THRU MARCH					
ALL MCF		\$1.4968	\$0.8981	0.00000	\$2.3949
Rate AAGS	\$90.00	\$0.5252	\$0.8981	-0.00510	\$1.4182

L G & E

Charges for Gas Transportation Services Provided Under Rate FT

(February 1, 2005 Through April 30, 2005)

Transportation Service:

Monthly Transportation Administrative Charge	\$90.00
Distribution Charge / Mcf Delivered	\$0.4300

Ancillary Services:

Daily Demand Charge	\$0.2189
Daily Storage Charge	<u>\$0.1200</u>
Utilization Charge per Mcf for Daily Balancing	\$0.3389
Monthly Demand Charge per Mcf of Reserved Balancing Service	\$6.6600
Monthly Balancing Charge per Mcf of Reserved Balancing Service	<u>\$3.6500</u>
	\$10.3100

Cash-Out Provision for Monthly Imbalances	Percentage to be Multiplied by Cash-Out Price *
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Cash-Out Provision for Monthly Imbalances:

Where Usage is Greater than Transported Volume - Billing:

First 5% or less	100%
next 5%	110%
next 5%	120%
next 5%	130%
> than 20%	140%

Where Transported Volume is Greater than Usage - Purchase:

First 5% or less	100%
next 5%	90%
next 5%	80%
next 5%	70%
> than 20%	60%

* The Cash-Out Price for customer over-deliveries is the lowest mid-point price posted in "Gas Daily" for Dominion - South Point during the month; the Cash-Out Price for customer under-deliveries is the highest mid-point price posted in "Gas Daily" for Dominion - South Point during the month.

L G & E

**Charges for Gas Transportation Services Provided Under Rate FT
(for Special Contract Customers)**

(February 1, 2005 Through April 30, 2005)

Transportation Service:

Monthly Transportation Administrative Charge	\$90.00
Monthly Customer Charge	\$180.00
Distribution Charge / Mcf Delivered	\$0.1049
Monthly Demand Charge/Mcf	\$2.75

Ancillary Services:

Daily Demand Charge	\$0.2189
Daily Storage Charge	<u>\$0.1200</u>
Utilization Charge per Mcf for Daily Balancing	\$0.3389

Cash-Out Provision for Monthly Imbalances	Percentage to be Multiplied by Cash-Out Price *
---	---

Cash-Out Provision for Monthly Imbalances:

Where Usage is Greater than Transported Volume - Billing:

First 5% or less	100%
next 5%	110%
next 5%	120%
next 5%	130%
> than 20%	140%

Where Transported Volume is Greater than Usage - Purchase:

First 5% or less	100%
next 5%	90%
next 5%	80%
next 5%	70%
> than 20%	60%

* The Cash-Out Price for customer over-deliveries is the lowest mid-point price posted in "Gas Daily" for Dominion - South Point during the month; the Cash-Out Price for customer under-deliveries is the highest mid-point price posted in "Gas Daily" for Dominion - South Point during the month.
